

U.S. General Services Administration (GSA)

PRESIDENTIAL TRANSITION “HOT ISSUES” INFORMATION PAPER

SUBJECT: *Implementing the Transactional Data Reporting Rule*

1. BACKGROUND:

a. General Background:

- The U.S. General Services Administration (GSA) has published a final General Services Acquisition Regulation (GSAR) rule to capture transactional data on procurements across certain Federal Supply Schedules (FSS) contracts or Multiple Award Schedule (MAS) contracts, and Governmentwide Indefinite-Delivery, Indefinite-Quantity (IDIQ) contracts, including Governmentwide Acquisition Contracts (GWACs). The Transactional Data Reporting (TDR) Rule requires vendors to electronically report the price the federal government paid for an item or service purchased through GSA acquisition vehicles. The rule supports the governmentwide category management initiatives by producing market intelligence that GSA and its partner agencies can use to make smarter acquisition decisions and save even more taxpayer dollars. For Multiple Award Schedule (MAS) contracts, TDR will be implemented in phases, beginning with a pilot of specific Schedules and Special Item Numbers (SINs) (Schedules in pilot - see 3. below).
- Although this is a new requirement for the pilot Schedules, GWACs, and IDIQ contracts, transactional data has already proven successful with other GSA vehicles. For example, since 2010, GSA has used transactional data to help save \$370 million dollars on office supplies purchased through the Federal Strategic Sourcing Initiative. However, the current lack of transparency on prices paid by federal buyers in other categories of government spend has led to significant price variation, sometimes 300 percent or more, for identical purchases from the same commercial vendor, as well as the unnecessary duplication of contract vehicles. The rule helps eliminate this variation and duplication.
- As one of the most transformational changes to GSA's Federal Supply Schedules Program in more than two decades, the TDR rule allows GSA to remove some of the complex and burdensome tracking and disclosure requirements imposed on federal contractors -- the Commercial Sales Practices (CSP) disclosures and Price Reductions Clause (PRC).
- Simultaneously, this rule asks contractors to electronically report key procurement data; including prices paid, quantity, standard part number and product description for all purchases through GSA contract vehicles. The information collected through the TDR will help contracting officers make smarter purchasing decisions and provide data to assist in negotiating future contracts.

b. Issues:

- Industry cites increase in burden to comply with TDR in addition to pushback on implementation timeline. GSA has engaged in constant dialogue with its vendor

stakeholders to improve understanding of the benefits of the rule and to ease the transition.

- GSA' Office of the Inspector General (GSA OIG) cites concerns over removal of the Price Reduction Clause (PRC) to protect government pricing. GSA OIG will be conducting audits in FY17. The implementation of the Formatted Product Tool (FPT) will enhance GSA's ability to monitor Schedule contract pricing.
- Congress is attentive to rule's impact on small business.
- The TDR presents a risk of flight from the Schedules program where there is an existing government acquisition vehicle that can meet federal customer needs and does not require the submission of transactional data (i.e. NASA SEWP vs. IT Schedule 70).
- Implementation of the TDR requires the building of many new IT systems and effective deployment to utilize the benefits of transactional data. For example, a new TDR portal was built as a repository for transactional data and as a new repository for the remittance of access fees (i.e. CAV/IFF) from vendors (see: <https://tdr.gsa.gov/>).

2. SCOPE AND EFFECT:

a. Impact on GSA's Customers:

- TDR enables agencies to make better buying decisions & achieve savings that can be passed on to the taxpayer, supporting the governmentwide [category management](#) initiative.
- The data and intelligence gathered through TDR will help the government craft smarter buying strategies, continuously manage pricing across our acquisition vehicles, enhance competition, and provide the rich pricing information federal buyers across government need to negotiate and make smart buying decisions.
- TDR will provide an unprecedented level of transparency and insight into the federal and commercial marketplaces, harnessing tools and information previously unavailable to drive faster, more strategic, and more successful contracting actions across the federal government.

b. Impact on the Private Sector and State & Local Governments:

- GSA estimates that the rule's removal of current burdensome requirements will result in an estimated annual burden reduction of \$29 million for GSA Schedule vendors participating in the TDR pilot.
- The rule removes burdensome tracking and reporting supplier requirements from the price reduction clause (PRC) and commercial sales practices (CSP), when MAS contractors agree to report transactional data.
- The reduction in duplicative and inefficient disclosure requirements of PRC and CSP removes barriers for entering into the federal marketplace, particularly for small businesses.
- The TDR pilot on Schedules (Schedules in pilot - see 3. below) represents approximately 30% of FSS Schedule contracts and approximately 43% of Schedule sales volume depending on those who adopt the bilateral modification.

- GSA is tracking the real-time acceptance by pilot Schedule vendor and the percentage of Schedule spend migrating to TDR. For example, 27% of the Facilities Management and Maintenance Schedule vendors (Schedule identifier-03FAC) accepted accounting for approximately 46% of spend. For real-time information - see [D2D FAS FPT/TDR Metrics Tracking Dashboard](#).

3. ACTION(S) PLANNED OR REQUIRED:

- On June 23rd, 2016, GSA published a final [General Services Acquisition \(GSAR\) rule](#) to capture transactional data on procurements across certain Federal Supply Schedules (FSS) contracts or Multiple Award Schedule (MAS) contracts, and Governmentwide Indefinite-Delivery, Indefinite-Quantity (IDIQ) contracts, including Governmentwide Acquisition Contracts (GWACs). The Transactional Data Reporting (TDR) Rule requires vendors to electronically report the price the federal government paid for an item or service purchased through GSA acquisition vehicles.
- The Schedules listed below make up the TDR Pilot and will be rolled out in phases as shown. Each Schedule refresh and mass modification will be preceded by an advanced notice posting on Interact, approximately 30 days prior to the refresh and mass modification release date:

Schedule	Description	SINs	Offerings	Tentative Refresh/Mass Modification Release date
72	Furnishings & Floor Coverings	All	Products and Ancillary Services	August 2016
58 I	Professional Audio/Video	All	Products and Ancillary Services	August 2016
51V	Hardware Superstore	All	Products and Ancillary Services	September 2016
03 FAC	Facilities Management and Maintenance	All	Services and Ancillary Products	September 2016
75	Office Products/Supplies	All	Products	October 2016
73	Food Service, Hospitality, Cleaning Equipment and Supplies, Chemicals and Services	All	Products and Ancillary Services	November 2016

70	IT Equipment, Software & Services	132-8 132-32 132-33 132-34 132-54 132-55	Products & Services	November 2016
00CORP	Professional Engineering Services	871-1 871-2 871-3 871-4 871-5 871-6 871-7	Services	January 2017

4. KEY STAKEHOLDER INTEREST:

- **GSA OIG** - IG cites concerns over removal of the Price Reduction Clause (PRC) to protect government pricing.
- **Individual vendors and Industry associations (i.e. Coalition for Government Procurement)**- Have raised objections to the TDR; (1) based on the perceived burden associated with submitting the data, (2) transparency of the data, and (3) potential for race to the bottom pricing.
- **Congress** - is attentive to rule's impact on small business.
- **Office of Management and Budget (OMB)/Office of Federal Procurement Policy (OFPP) and Category Managers and Federal Customer agencies** - will utilize transactional data to understand the government's spend by category.
- **Press** - is interested in the effectiveness of the Pilot and any future extension.
- **Acquisition Workforce (Internal and External), including Category Managers that have MAS options** - are interested in how the transactional data can be effectively utilized to make better buying decisions and enhance their ability to achieve best value.
- **GSA Customer facing network (Executives, CSDs, IOAs, ACOs, etc)** - utilize transactional data to make GSA government-wide acquisition vehicles best in class solutions to government customers.

5. FISCAL YEAR 2017/2018 BUDGET IMPACT:

A major budget issue effecting TDR is the creation of a new FAS Sales Reporting system to accomodate the reporting of transactional data pursuant to the rule along with a replacement to the antiquated 72A sales reporting system for the remittance of vendor fees (i.e. CAV, IFF) to FAS. The new FAS Sales Reporting system went online in FY16 (see <https://tdr.gsa.gov/>) . The 5 year budget for the system (FY15-19) is \$8,966,866.